South Carolina Department of Health & Human Services
Anthony E. Keck, Director
Nikki R. Haley, Governor

April 20, 2012

Ms. Jackie L. Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services
61 Forsyth Street, suite 4T20
Atlanta, Georgia 30303-8909

Re: South Carolina Title XIX State Plan Amendment SC 12-001, Individuals with Intellectual and Related Disabilities

Dear Ms. Glaze:

Please find enclosed State Plan Amendment (SPA) SC 12-001 for your review and approval. SC 12-001 was re-titled as *Individuals with Intellectual and Related Disabilities* which was formally known as *Non-Institutionalized Individuals with Mental Retardation and Related Disabilities.* SCDHHS is proposing an effective date of January 1, 2013 for all Targeted Case Management SPAs. We have also enclosed, in SC 12-001, one reimbursement packet that will be used for all TCM groups. This SPA is in response to the letter of companion to your approval of South Carolina State Plan Amendment 11-005 of June 23, 2011.

Public Meeting

On January 24, 2012, SCDHHS held a public meeting regarding the TCM SPA. We received comments through our agency website through January, 31, 2012. In addition, we posted to our agency website the draft TCM SPA, a presentation used at our public meeting, as well as, other related materials. In an effort to update the public, SCDHHS will continue to post TCM SPA related materials to the agency's website. We also discussed this SPA with our Medical Care Advisory Committee, at the September 20, 2011 and February 14, 2012 meetings.

Tribal Questions:

The following are questions related to Section 5006(e) of the Recovery Act (Public Law (P.L.) 111-5) requirement for Tribal Consultation, please provide responses to these questions.

1. Is the submittal of SC 12-001 likely to have a direct impact on Indians or Indian health programs (Indian Health Service, Tribal 638 Health Programs, Urban Indian Organizations)?

SCDHHS RESPONSE: Unlikely

2. If the submittal of SC 12-001 is not likely to have a direct impact on Indians or Indian health programs, please explain why not.

SCDHHS Response: The Indian Health Services (IHS) currently provides a comprehensive array of services that includes assessment, referral, and linkage to concrete services in the community.

3. If the submittal of SC 12-001 is likely to have a direct impact on Indians or Indian health programs please respond to the following questions:

   a. How did the State consult with the Federally-recognized tribes and Indian health programs prior to submission of this SPA or waiver request?

   SCDHHS Response:
   Indian Health Services (IHS) is a member of our Medical Care Advisory Committee (MCAC). All SPA submissions are presented at these meetings. The TCM SPA was discussed at the MCAC meeting held September 20, 2011 and February 14, 2012. SCDHHS also facilitates monthly Catawba Service Unit conference calls. The last conference call was held March 28, 2012 in which Ms. Vicky Reynders and Ms. Dawn Canty of IHS participated. An overview of the TCM SPAs was presented. They had no questions or comments.

   b. If the tribes and Indian health programs were notified in writing, please provide a copy of the notification, the date it was sent and a list of the entities notified. In addition, please provide information about any concerns expressed by the tribes and/or Indian health providers and the outcome.

   SCDHHS Response: Please see note below

   c. If the consultation with the tribes and Indians health providers occurred in a meeting, please provide a list of invitees, a list of attendees, the date the meeting took place and information about any concerns expressed by the tribes and/or Indian health providers and the outcome.

   SCDHHS Response: **The TCM SPA was discussed at the September 20, 2011 and February 14, 2012 MCAC meetings. Ms. Vicky Reynders sits on this committee; However, she was not in attendance. The MCAC agenda and all attachments were sent to Ms. Reynders.**

Access Questions

1. How will the reduction in rates allow the State to comply with requirements of 1902(a)(30)? Please explain.

   SCDHHS Response: **Monitoring, measuring and improving access to care is critically important in fiscally challenging times requiring provider rate cuts and service reorganization. In 2010, SCDHHS initiated strategies to capture baseline measures of access to care with ongoing monitoring at the beneficiary and provider levels. A reduction in the reimbursement will continue to provide a reasonable reimbursement for the services delivered and should not impact service delivery to our beneficiaries.**

2. How did the State determine that the Medicaid provider payments are sufficient to enlist enough providers to assure access to care and services in Medicaid at least to the extent that care and services are available to the general population in the geographic area?

SCDHHS Response: **The State understands the importance of evaluating access to care particularly when reducing reimbursement. Initiatives have focused on beneficiary needs, availability of care and providers, utilization of services and compliance with 1902(a)(30). Ongoing analysis is conducted using the ESRI ArcView Desktop extension, Shortest Network Paths, as an alternative calculation method to measuring trip length using a straight line or "as-the-crow-flies" method.**

The access to care methodology will include an analysis of the impact of the proposed amendments on care coordination and case management efforts. The state will use a series of HEDIS NCQA measures with socio-demographic indicators to understand the potential impact at the zip code level. The measures will be selected to reflect the targeted populations associated with targeted case management services.

3. What types of studies or surveys were conducted or used by the State to assure that access would not be negatively impacted (e.g. comparison with commercial access/reimbursement rates, comparison with Medicare rates, comparison with surrounding State Medicaid rates, comparison with national averages for Medicaid or Medicare, other).

SCDHHS Response: Consumer experience/satisfaction surveys: Since 2006 SCDHHS has administered the CAHPS survey annually with an average completion rate of 35% with 6,000 beneficiaries. Statistically significant sampling methods ensure a valid sample of children with special health care needs, CHIP and beneficiaries by health care plan enrollment (MCO, MHN and FFS). Reported CAHPS composite scores influencing access to care include: getting appointments and health care services, communication with physician, coordination and integration of care, and decision-making.

Annual provider surveys **allow for the examination of topical areas influencing access to care at the beneficiary level, implementation of evidence-based practices and movement to implementation of quality measures. Additional surveys with specialty care or waiver providers allow for identification of issues, programmatic strengths and suggestions for improvements.**

4. How were providers, advocates and beneficiaries engaged in the discussion around rate modifications? What were their concerns and how did the State address these concerns?

SCDHHS Response: **The South Carolina Medicaid program has actively engaged our providers, including our Medical Care Advisory Committee (MCAC) in the discussion concerning our budget situation and the fact that we are facing unprecedented budget shortfalls during this and the upcoming budget cycle. The agency has provided forums and meeting opportunities to discuss and gather input on ways to address the need to reduce expenditures and continue to provide quality care. We do not anticipate any adverse effect that would result in no longer accepting or continuing to see Medicaid beneficiaries.**

5. Is the State modifying anything else in the State Plan which will counterbalance impact on access that may be caused by the decrease in rates (e.g. increasing scope of services that other provider types may provide or providing care in other settings)?

   SCDHHS Response: No

6. How does the State intend to monitor the impact of the new rates and implement a remedy should rates be insufficient to guarantee required access levels? Provide specific details about the measures to be used, how these measures were developed, data sources, and plans for reporting, tracking and monitoring. The State should also provide the specific benchmarks for each measure which would trigger State action to remedy indicated access problems.

   SCDHHS Response: **The State monitors access using a variety of methods including secondary data analysis, geospatial analysis and primary data from surveys with providers and beneficiaries. The State monitors complaints and grievances generated by the Call Center; physician, eligibility and managed care services; those reported by the MCAC and tracks for resolution of barriers to care. Providers across health care plans generate reports consistent with contractual arrangements indicating resolution of identified barriers at the beneficiary and provider levels. The CAHPS composites on beneficiary reports of unmet needs and satisfaction with care combined with Geographic Information System (GIS) spatial analysis provide the State with the ability to examine this data compared with internal reports to identify key issues across data sources and make the most informed decisions possible.**

7. What action(s) does the State plan to implement after the rate modification(s) take place to counter any decrease to access if such a decrease is found to prevent sufficient access to care?

   SCDHHS Response: **The State will review data that supports any negative impact of the change and immediately make the necessary adjustments to correct the deficiency. It is not the intent of the State to decrease access to care but to address budget concerns. Program staff is alert and attentive to any adverse impact on our beneficiary's ability to receive medically necessary services and in an appropriate place of service in the most cost effective manner. Should a problem arise, we will actively engage the specific provider group for open discussion on access issues and immediately poll and survey beneficiaries to identify the root of the access problem.**

   Factors of concern would be the ability of an individual to obtain care, recognizing and addressing barriers encountered by a beneficiary seeking care, including the individual's perceived need for care, health literacy, special needs, transportation,

location, language, cultural preferences and other factors influencing their access to care. The State is eager to work with public/private advocacy groups, community and provider organizations and lawmakers to improve health literacy of our population, reduce disparities in health status and increase access to and utilization of healthcare services.

Maintenance of Effort (MOE) Questions:

1. Under section 1902(gg) of the Social Security Act (the Act), as amended by the Affordable Care Act, as a condition of receiving any Federal payments under the Medicaid program during the MOE period indicated below, the State shall not have in effect any eligibility standards, methodologies, or procedures in its Medicaid program which are more restrictive than such eligibility provisions as in effect in its Medicaid program on March 10, 2010.
   MOE Period.
   § Begins on: March 10, 2010, and
   § Ends on: The date the Secretary of the Federal Department of Health and Human Services determines an Exchange established by a State under the provisions of section 1311 of the Affordable Care Act is fully operational.
   Is SC in compliance with the conditions of the MOE provision of section 1902(gg) of the Act for continued funding under the Medicaid program?

   SCDHHS RESPONSE: Yes

2. Section 1905(y) and (z) of the Act provides for increased federal medical assistance percentages (FMAP) for expenditures made on or after January 1, 2014 for individuals determined eligible under section 1902(a)(10)(A)(i)(VIII) of the Act. Under section 1905(cc) of the Act, the increased FMAP under sections 1905(y) and (z) would not be available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.
   Prior to January 1, 2014 States may potentially require contributions by local political subdivisions toward the non-Federal share of the States' expenditures at percentages greater than were required on December 31, 2009. However, because of the provisions of section 1905(cc) of the Act, it is important to determine and document/flag any SPAs/State plans which have such greater percentages prior to the January 1, 2014 date in order to anticipate potential violations and/or appropriate corrective actions by the States and the Federal government.

   SCDHHS Response: **This SPA would [ ] / would not [X]violate these provisions, if they remained in effect on or after January 1, 2014.**

3. Section 1905(aa) of the Act provides for a "disaster-recovery FMAP" increase effective no earlier than January 1, 2011. Under section 1905(cc) of the Act, the increased FMAP under section 1905(aa) of the Act is not available for States that require local political subdivisions to contribute amounts toward the non-Federal share of the State's expenditures at a greater percentage than would have been required on December 31, 2009.

SCDHHS RESPONSE: This SPA would [ ] / would not [X] qualify for such increased federal financial participation (FFP) and is not in violation of this requirement.

4. Does this plan amendment comply with the requirements of section 1902(a)(37) of the Act regarding prompt payment of claims?

   SCDHHS Response: **Yes**

In regards to our responses to the CMS funding questions, we have provided the information via three separate attachments. As you will note, the funding and expenditure information provided is presented in the aggregate for each state agency in lieu of by targeted population group. We will provide the information by targeted population group at a later date.

If you have any questions or need any further assistance, please contact Sam Waldrep at (803) 898-2725 or Sheila Chavis at (803) 898-2707.

Sincerely,

Anthony E. Keck
Director

AEK/sc

Enclosures